



## **Disposable Bag Tax**

### **Frequently Asked Questions**

#### ***What is the disposable bag tax?***

In 2020, Louisville voters approved Ballot Question 2A, which aims to reduce single-use bag consumption within the community by applying a \$0.25 tax on every paper and plastic bag provided to the customer by a Louisville retailer.

Beginning January 1, 2022, all retail stores in Louisville are required to charge 25 cents for every plastic or paper bag used at checkout. Retailers will retain \$0.10 of each disposable bag tax collected as a vendor's fee to be used for administration of the tax, such as training staff, improving or altering infrastructure for administration of the tax, and improving infrastructure to increase bag recycling. The remaining \$0.15 of each disposable bag tax collected will be remitted to the City and shall be used only for costs related to administration of the tax or other sustainability-related initiatives and programs.

#### ***When does the bag tax go into effect?***

The bag tax will go into effect January 1, 2022.

#### ***What stores have to collect the tax?***

All retailers are required to collect the disposable bag tax. Each retailer within the City shall collect, remit, and pay the tax for each disposable bag provided to a customer. "Retailer" means any person selling, leasing, renting, or granting a license to use tangible personal property or services at retail. In this ordinance, "Retailer" does not include:

1. Temporary vending establishments for fruits, vegetables, packaged meats, and dairy;
2. Vendors at farmer's markets or other temporary events.

#### ***Are some types of bags exempt from the tax?***

Disposable bag means a bag that is not a reusable bag. Disposable bag does not include:

1. Bags used by consumers inside stores to:

(a) Package bulk items, such as fruit, vegetables, nuts, grains, candy, or small hardware items;

(b) Contain or wrap frozen foods, meat, or fish;

(c) Contain or wrap flowers, potted plants, or other items where dampness may be a problem;

(d) Contain unwrapped prepared foods or bakery goods; or

(e) A non-handled bag used to protect a purchased item from damaging or contaminating other purchased items when placed in a recyclable paper bag or reusable bag.

2. Bags provided by pharmacists to contain prescription drugs.

3. Newspaper bags, door-hanger bags, laundry-dry cleaning bags, or bags sold in packages containing multiple bags for uses such as food storage, garbage, pet waste, or yard waste bags.

***Are signs about the fee required in retail stores?***

Yes, per section Sec. 3.34.110 of the ordinance: “Every retailer subject to the collection of the disposable bag tax shall display a sign in a location outside or inside of the business, viewable by customers, alerting customers to the City’s disposable bag fee.”

***How will the tax appear on my receipt or a receipt provided to a customer?***

Retailers shall record the number of disposable bags provided and the total amount of disposable bag taxes charged on the customer transaction receipt. Retailers will also provide this same information to the City in remitting the disposable bag taxes.

***How will the tax impact the low-income population of Louisville?***

The fee will not apply to anyone who participates in a federal or state food assistance program. A food assistance affidavit in both English and Spanish will be provided and made available to all retailers for this exemption. An ongoing portion of the revenue collected from the tax will be used to purchase reusable bags that will be distributed to the community, including low-income populations. City of Louisville staff will work with non-profits and governmental agencies that assist low-income populations to distribute bags and information before the implementation date.

***What is the City of Louisville doing to educate and ensure compliance?***

The City of Louisville has developed materials specifically for businesses to aid with the transition, including: signage, resources, and reusable bags that can be provided on request to businesses. To aid with compliance, the City of Louisville is launching a residential education campaign that will ensure residents and visitors are aware of the upcoming tax and the importance of single-use plastics reduction within the community.

Additional questions? Please contact Katie Baum, Sustainability Coordinator, at [kbaum@louisvilleco.gov](mailto:kbaum@louisvilleco.gov).